

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

# Neuedu

## 東軟教育科技有限公司

Neusoft Education Technology Co. Limited  
(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 9616)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2022.

<b>HIGHLIGHTS</b>	<b>For the six months ended</b>		
	<b>30 June</b>		
	<b>2022</b>	2021	Percentage of change
	<i>RMB'000</i>	<i>RMB'000</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
<b>Revenue</b>	<b>743,699</b>	597,891	24.4%
<b>Gross profit</b>	<b>349,504</b>	257,492	35.7%
<b>Profit for the period</b>	<b>232,982</b>	126,886	83.6%
Profit for the period attributable to owners of the Company	<b>233,176</b>	108,587	114.7%
<b>Adjusted Net Profit</b> <i>(note)</i>	<b>231,736</b>	142,521	62.6%
Adjusted net profit attributable to owners of the Company	<b>231,930</b>	122,374	89.5%
<b>Gross profit margin</b>	<b>47.0%</b>	43.1%	3.9%
<b>Adjusted net profit margin</b>	<b>31.2%</b>	23.8%	7.4%
<b>Basic earnings per share</b> <i>(in RMB)</i>	<b>0.35</b>	0.16	118.8%
<i>Note:</i>			
For the six months ended 30 June 2022, the Adjusted Net Profit represents the profit for the period after deducting the impact of (i) share-based compensation expense of RMB3,785,000; and (ii) net exchange gains of RMB5,031,000.			
For the six months ended 30 June 2021, the Adjusted Net Profit represents the profit for the period after deducting the impact of (i) share-based compensation expense of RMB10,937,000; and (ii) net exchange losses of RMB4,698,000.			

The Board of the Company is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2022 together with the comparative figures as follows:

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2022</b>	2021
		<b>RMB'000</b>	RMB'000
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>743,699</b>	597,891
Cost of revenue	7	<b>(394,195)</b>	(340,399)
<b>Gross profit</b>		<b>349,504</b>	257,492
Selling expenses	7	<b>(18,230)</b>	(16,031)
Administrative expenses	7	<b>(71,340)</b>	(68,473)
Research and development expenses	7	<b>(22,908)</b>	(21,755)
Net impairment losses on financial assets		<b>(85)</b>	(752)
Other income	5	<b>119,162</b>	46,751
Other expense	6	<b>(12,974)</b>	(12,174)
Other gains		<b>2,618</b>	1,903
<b>Operating profit</b>		<b>345,747</b>	186,961
Finance income	8	<b>3,794</b>	4,270
Finance expenses	8	<b>(40,951)</b>	(32,060)
Finance expenses — net	8	<b>(37,157)</b>	(27,790)
<b>Profit before income tax</b>		<b>308,590</b>	159,171
Income tax expense	9	<b>(75,608)</b>	(32,285)
<b>Profit for the period</b>		<b>232,982</b>	126,886
<b>Profit attributable to:</b>			
— Owners of the Company		<b>233,176</b>	108,587
— Non-controlling interests		<b>(194)</b>	18,299
		<b>232,982</b>	126,886
<b>Earnings per share attributable to owners of the Company (expressed in RMB per share)</b>			
Basic earnings per share	11	<b>0.35</b>	0.16
Diluted earnings per share	11	<b>0.34</b>	0.16

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Profit for the period</b>	<b>232,982</b>	126,886
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified to profit or loss</i>		
Revaluation gains arising from transfer of property, plant and equipment and right-of-use assets to investment properties	<u>634</u>	<u>—</u>
<i>Items that will not be reclassified to profit or loss</i>		
Exchange differences on translation	<u>1,329</u>	<u>(157)</u>
<b>Other comprehensive income/(loss) for the period</b>	<u>1,963</u>	<u>(157)</u>
<b>Total comprehensive income for the period</b>	<u><b>234,945</b></u>	<u>126,729</u>
<b>Total comprehensive income attributable to:</b>		
— Owners of the Company	235,139	108,430
— Non-controlling interests	<u>(194)</u>	<u>18,299</u>
	<u><b>234,945</b></u>	<u>126,729</u>

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at <b>30 June</b> <b>2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties		264,700	179,100
Right-of-use assets		641,100	658,298
Property, plant and equipment	12	2,829,867	2,684,499
Intangible assets		287,326	292,388
Deferred income tax assets		36,381	34,691
Prepayments, deposits and other receivables		50,000	58,050
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>4,109,374</b>	3,907,026
<b>Current assets</b>			
Inventories		4,965	4,918
Trade and notes receivables	13	63,640	30,408
Prepayments, deposits and other receivables		94,289	94,130
Financial assets at fair value through profit or loss		110,828	134,565
Restricted cash		1,471	2,540
Cash and cash equivalents		882,806	1,228,478
		<hr/>	<hr/>
<b>Total current assets</b>		<b>1,157,999</b>	1,495,039
		<hr/>	<hr/>
<b>Total assets</b>		<b>5,267,373</b>	5,402,065
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		117	117
Share premium		2,840,805	2,915,130
Reserves		(1,995,318)	(1,961,446)
Retained earnings		777,650	544,474
		<hr/>	<hr/>
<b>Subtotal</b>		<b>1,623,254</b>	1,498,275
		<hr/>	<hr/>
Non-controlling interest		8,283	8,624
		<hr/>	<hr/>
<b>Total equity</b>		<b>1,631,537</b>	1,506,899
		<hr/>	<hr/>

	<i>Note</i>	<b>As at 30 June 2022 RMB'000 (Unaudited)</b>	As at 31 December 2021 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	<i>14</i>	<b>675</b>	675
Borrowings	<i>15</i>	<b>2,054,194</b>	1,930,676
Deferred tax liabilities		<b>40,522</b>	41,253
Lease liabilities		<b>36,064</b>	39,236
Deferred income		<b>41,271</b>	33,598
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>2,172,726</b>	2,045,438
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	<b>673,170</b>	715,153
Current income tax liabilities		<b>71,725</b>	58,076
Contract liabilities	<i>16</i>	<b>184,153</b>	769,183
Borrowings	<i>15</i>	<b>484,822</b>	236,493
Lease liabilities		<b>7,938</b>	9,694
Deferred income		<b>41,302</b>	61,129
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>1,463,110</b>	1,849,728
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>3,635,836</b>	3,895,166
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>5,267,373</b>	5,402,065
		<hr/>	<hr/>

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

Neusoft Education Technology Co. Limited (the “**Company**” or “**Neusoft Education Technology**”) was incorporated in the Cayman Islands on 20 August 2018 as an exempted company with limited liability under the Companies Law, (Cap.22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in providing full-time formal higher education services, continuing education services, and education resources and apprenticeship programme in the People’s Republic of China (the “**PRC**”) (collectively referred to as the “**Business**”).

### 2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2021 which have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) by the Group as set out in the 2021 annual report of the Company dated 31 March 2022 (the “**2021 Financial Statements**”).

### 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021, as described in the 2021 Financial Statements, except for the adoption of new and amended standards as set out below.

#### (a) New and amended standards adopted by the Group

The following new and amended standards, and annual improvements are mandatory for the first time for the Group’s financial year beginning on January 1, 2022 and are applicable for the Group:

- Amendments to IFRS 3 — Reference to Conceptual Framework
- Amendment to IFRS 16 — Property, plant and equipment: Proceeds before Intended Use
- Amendments to IFRS 37 — Cost of Fulfilling a Contract
- Annual improvements to IFRS standards 2018–2020 — IFRS 1, IFRS 9, IFRS 16, and IAS 41

The adoption of these interpretation and amendments to standards has had no significant impact on the results and the financial position of the Group.

(b) **New standards and interpretations not yet adopted**

		<b>Effective for accounting periods beginning on</b>
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or Joint Venture	To be determined

The Directors of the Company have already commenced an assessment of the impact of these new or revised standard, certain of which is relevant to the Group's operation. According to the preliminary assessment made by the Directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

**4. REVENUE**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Full-time formal higher education services</b>	<b>580,348</b>	470,188
— Tuition fees	<b>530,217</b>	427,792
— Boarding fees	<b>48,220</b>	42,165
— Rental income of telecommunication device	<b>1,911</b>	231
<b>Continuing education services</b>	<b>66,128</b>	58,255
<b>Education resources and apprenticeship programme</b>	<b>97,223</b>	69,448
— Education resources	<b>68,917</b>	31,915
— Apprenticeship programme	<b>28,306</b>	37,533
	<b>743,699</b>	597,891

## 5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income from properties	22,862	16,468
Property service and management income	14,708	11,081
Government grants and subsidies	78,653	13,537
Development of software system technology	2,345	4,970
Others	594	695
	<u>119,162</u>	<u>46,751</u>

## 6. OTHER EXPENSES

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	4,547	3,796
Property maintenance and fire protection expenses	3,107	2,249
Development of software system technology expenses	2,263	3,321
Utilities expenses	1,306	1,605
Employee benefit expenses	444	407
Amortization of right of use assets and intangible assets	689	761
Others	618	35
	<u>12,974</u>	<u>12,174</u>

## 7. EXPENSES BY NATURE

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b> <i>(Unaudited)</i>	<b>RMB'000</b> <i>(Unaudited)</i>
Employee benefit expenses	<b>309,468</b>	267,720
Depreciation and amortization expenses	<b>78,566</b>	66,885
Property management, landscaping and maintenance expenses	<b>22,842</b>	17,351
Office and utilities expenses	<b>31,081</b>	35,671
Rental expense	<b>18,058</b>	21,693
Cost of goods sold	<b>17,318</b>	1,870
Subcontract cost	<b>10,014</b>	14,647
Taxes and fees	<b>3,662</b>	3,577
Consulting and professional fees	<b>3,815</b>	2,971
Others	<b>11,849</b>	14,273
	<b>506,673</b>	446,658

## 8. FINANCE INCOME AND EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b> <i>(Unaudited)</i>	<b>RMB'000</b> <i>(Unaudited)</i>
<b>Finance income</b>		
Interest income from deposits	<b>3,794</b>	4,270

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b> <i>(Unaudited)</i>	<b>RMB'000</b> <i>(Unaudited)</i>
<b>Finance expenses</b>		
Interest expenses from borrowings	<b>(59,275)</b>	(36,683)
Interest expenses from leasing	<b>(1,154)</b>	(1,300)
Interest expenses from related party borrowings	<b>—</b>	(836)
Other charges	<b>(129)</b>	(159)
Net foreign exchange gains/(losses)	<b>5,031</b>	(4,698)
Less: Amount capitalized	<b>14,576</b>	11,616
	<b>(40,951)</b>	(32,060)
Finance expenses — net	<b>(37,157)</b>	(27,790)

## 9. INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Current tax on profits for the period	<b>78,240</b>	33,507
Deferred income tax	<b>(2,632)</b>	(1,222)
	<b>75,608</b>	32,285

### (i) *Cayman Islands profits tax*

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

### (ii) *British Virgin Islands profit tax*

The Company's direct subsidiary in the British Virgin Islands was incorporated under the BVI Companies Act, 2004 and accordingly, is exempted from British Virgin Islands income tax.

### (iii) *Hong Kong profit tax*

No provision for Hong Kong profit tax was provided as the Company and the Group did not have assessable profits in Hong Kong during the six months ended 30 June 2022 and 2021.

### (iv) *PRC corporate income tax ("CIT")*

CIT is provided on assessable profits of entities incorporated in the PRC. Pursuant to the Corporate Income Tax Law of the PRC (the "**CIT Law**"), which was effective from 1 January 2008, the CIT was 25% during the six months ended 30 June 2022 and 2021.

### (v) *PRC Withholding Tax ("WHT")*

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

Except for dividends declared amounted to RMB94,559,000, RMB1,900,000 and RMB1,600,000 by Dalian Neusoft Ruixin Technology Development Co., Limited, Dalian Zhisheng Technology Co., Ltd. and Dalian Zhizhuo Technology Co., Ltd. to Neusoft Education Technology (HK) Co. Limited on 27 May 2022 and 17 May 2022 (six months ended 30 June 2021: nil), in the foreseeable future, the Group does not have any plan to require its subsidiaries in mainland China to distribute their retained earnings but intends to retain them to operate and expand its business in mainland China. Accordingly, no deferred income tax liability related to WHT on undistributed earnings was accrued as at the end of each reporting period.

**(vi) Preferential EIT rate**

Certain subsidiaries are entitled to preferential tax rates ranging from 0% to 20%, which are:

- Dalian Yunguan Information Technology Co., Ltd is qualified as a high-tech enterprise and entitled to a preferential tax rate of 15% during the six months ended 30 June 2022 and 2021.
- Shanghai Ruixiang Information Technology Co., Ltd is exempt from EIT for two years since 2017, followed by a 50% reduction in the statutory income tax rate of 25% for the next three years from 2019 to 2021. It is subject to an EIT rate of 25% and 12.5% during the six months ended 30 June 2022 and 2021.
- Neusoft Education Technology Group Co. Limited is exempt from EIT for two years since 2019, followed by a 50% reduction in the statutory income tax rate of 25% for the next three years from 2021 to 2023. It is subject to an EIT rate of 12.5% and 12.5% during the six months ended 30 June 2022 and 2021.
- The subsidiaries of Tianjin Ruidao are small low-profit enterprises, followed by a reduced tax rate of 20% during the six months ended 30 June 2022 and 2021.
- Suzhou Neusoft Technology Development Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022 and 2021.
- Chengdu Neusoft Education Technology Group Co., Limited is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022 and 2021.
- Dalian Neusoft Technology Development Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022 and 2021.
- Nanjing Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022.
- Huzhou Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022.
- Putian Neusoft Digital Technology Lab Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022.
- Zhengzhou Neusoft Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022.
- Chengdu Ruixiang Skill Training School Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2022.

**(vii) Deferred tax assets not recognized**

For the period ended 30 June 2022, the Group has unused tax losses RMB91,008,000 (31 December 2021: RMB96,563,000), which will expire in one to five years for offsetting against future profits. Deferred tax assets have not been recognized in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for recent years and it is not considered probable that future taxable profits will be available against which the tax losses can be utilized.

## 10. DIVIDENDS

Each of the subsidiaries of the Company who had declared and paid dividends to its shareholders had sufficient retained earnings available for distribution when it declared and paid such dividends, which was in compliance with the PRC Company Law.

A dividend in respect of the year ended 31 December 2021 of HKD0.141 per share, in an aggregate amount of HKD94,442,000 (equivalent to RMB81,076,000) was approved at the annual general meeting held on 27 May 2022 and declared to the owners of the Company.

The dividends amounting to approximately RMB71,821,000 (HKD0.141 per share) were paid to the Company's Shareholders during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB12,605,000).

No interim dividend has been declared or paid by the Company for the six months ended 30 June 2022 and 2021.

## 11. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share for the six months ended 30 June 2022 and 2021 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	233,176	108,587
Weighted average number of ordinary shares in issue (thousands)	<u>669,034</u>	<u>666,667</u>
Basic earnings per share (in RMB)	<u>0.35</u>	<u>0.16</u>

### (b) Diluted

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares during the period.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	233,176	108,587
Weighted average number of ordinary shares in issue (thousands)	669,034	666,667
Adjustments for share options granted to employees (thousands)	<u>10,643</u>	<u>16,217</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousands)	<u>679,677</u>	<u>682,884</u>
Diluted earnings per share (in RMB)	<u>0.34</u>	<u>0.16</u>

## 12. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Renovation <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>(Unaudited)</b>								
<b>Six months ended</b>								
<b>30 June 2022</b>								
Opening net book amount	1,858,223	40,073	1,122	74,994	42,982	8,252	658,853	2,684,499
Additions	—	1,173	—	12,566	6,100	233	270,389	290,461
Transfer upon completion	392,662	—	—	—	—	—	(392,662)	—
Transfer to investment properties	—	—	—	—	—	—	(79,226)	(79,226)
Disposals	—	—	—	(3,937)	(65)	(4)	—	(4,006)
Depreciation of disposals	—	—	—	3,750	58	4	—	3,812
Depreciation charge	(38,599)	(5,607)	(122)	(14,722)	(5,517)	(1,106)	—	(65,673)
<b>Closing net book amount</b>	<b>2,212,286</b>	<b>35,639</b>	<b>1,000</b>	<b>72,651</b>	<b>43,558</b>	<b>7,379</b>	<b>457,354</b>	<b>2,829,867</b>
<b>At 30 June 2022</b>								
Cost	2,831,045	80,806	4,680	269,130	167,964	24,388	457,354	3,835,367
Accumulated depreciation	(618,759)	(45,167)	(3,680)	(196,479)	(124,406)	(17,009)	—	(1,005,500)
<b>Net book amount</b>	<b>2,212,286</b>	<b>35,639</b>	<b>1,000</b>	<b>72,651</b>	<b>43,558</b>	<b>7,379</b>	<b>457,354</b>	<b>2,829,867</b>
<b>(Unaudited)</b>								
<b>Six months ended</b>								
<b>30 June 2021</b>								
Opening net book amount	1,008,401	41,922	608	56,585	35,328	6,437	394,193	1,543,474
Additions	579	172	421	5,776	132	146	444,719	451,945
Transfer upon completion	2,565	—	—	—	—	—	(2,565)	—
Disposals	—	—	(21)	(2,063)	(164)	(7)	—	(2,255)
Depreciation charge	(27,906)	(6,641)	(82)	(11,809)	(5,493)	(679)	—	(52,610)
<b>Closing net book amount</b>	<b>983,639</b>	<b>35,453</b>	<b>926</b>	<b>48,489</b>	<b>29,803</b>	<b>5,897</b>	<b>836,347</b>	<b>1,940,554</b>
<b>At 30 June 2021</b>								
Cost	1,532,707	68,657	5,195	233,684	149,343	20,598	836,347	2,846,531
Accumulated depreciation	(549,068)	(33,204)	(4,269)	(185,195)	(119,540)	(14,701)	—	(905,977)
<b>Net book amount</b>	<b>983,639</b>	<b>35,453</b>	<b>926</b>	<b>48,489</b>	<b>29,803</b>	<b>5,897</b>	<b>836,347</b>	<b>1,940,554</b>

### 13. TRADE AND NOTES RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Due from related parties	3,430	4,240
Receivables from continuing education services	3,685	3,517
Receivables from education resources services	44,888	19,426
Receivables from development of software system technology	264	50
Others	390	930
	<u>52,657</u>	<u>28,163</u>
Less: Provision for impairment of trade receivables	(819)	(761)
Trade receivables — net	51,838	27,402
Notes receivables	11,802	3,006
	<u>63,640</u>	<u>30,408</u>

The Group's trade receivables were denominated in RMB and the carrying amounts approximated their fair values.

- (a) As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade receivable based on the recognition date was as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Less than 6 months	34,929	25,829
6 months to 1 year	16,459	1,197
1 to 2 years	140	495
More than 2 years	1,129	642
	<u>52,657</u>	<u>28,163</u>

#### 14. TRADE AND OTHER PAYABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Trade payables</b>		
Amount due to third parties	<u>12,008</u>	<u>9,852</u>
<b>Other payables</b>		
Amount due to related parties	2,119	4,525
Miscellaneous expenses received from students	54,906	64,116
Salary and welfare payables	55,318	83,084
Deposits	31,094	34,173
Government subsidies payable to students	13,930	5,927
Payables for purchases of property, plant and equipment	413,811	427,891
Payables for administrative cost	16,628	13,453
Tax payables	9,359	17,554
Interest payables to bank	3,288	3,251
Redemption liability	36,274	36,274
Dividends payable	10,658	1,638
Others	14,452	14,090
Less: non-current portion		
— Amount due to third parties	<u>(675)</u>	<u>(675)</u>
<b>Other payables — current portion</b>	<u>661,162</u>	<u>705,301</u>
<b>Total trade and other payables</b>	<u>673,170</u>	<u>715,153</u>

The Group's trade payables were denominated in RMB and the carrying amounts approximated their fair values.

- (a) The credit terms of trade payables granted to the Group are generally no more than 180 days. As at 30 June 2022 and 31 December 2021, the aging analysis of the trade payable based on invoice dates was as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Less than 6 months	<u>12,008</u>	<u>9,852</u>

## 15. BORROWINGS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Long-term borrowings</b>		
Bank borrowings		
— secured	1,865,414	1,716,828
— unsecured	348,625	366,686
Current portion of long-term borrowings		
— secured	(126,222)	(118,592)
— unsecured	(41,120)	(42,120)
	<u>2,046,697</u>	<u>1,922,802</u>
Borrowings from a financial institution		
— secured	14,443	14,744
Current portion of long-term borrowings		
— secured	(6,946)	(6,870)
	<u>7,497</u>	<u>7,874</u>
<b>Short-term borrowings</b>		
Bank borrowings		
— unsecured	310,534	68,911
Current portion of long-term borrowings		
— secured	126,222	118,592
— unsecured	41,120	42,120
	<u>477,876</u>	<u>229,623</u>
Borrowings from a financial institution		
— secured	—	—
Current portion of long-term borrowings		
— secured	6,946	6,870
	<u>6,946</u>	<u>6,870</u>
<b>Total borrowings</b>	<b><u>2,539,016</u></b>	<b><u>2,167,169</u></b>

## 16. CONTRACT LIABILITIES

The Group recognized the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 30 June 2022 and 31 December 2021 will be expected to be recognized within one year:

	As at <b>30 June</b> <b>2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
<b>Full-time formal higher education services</b>	<b>104,175</b>	674,626
— Tuition fees	<b>88,093</b>	610,657
— Boarding fees	<b>16,082</b>	63,969
<b>Continuing education services</b>	<b>46,417</b>	50,043
<b>Education resources and apprenticeship programme</b>	<b>29,524</b>	40,098
— Education resources	<b>29,524</b>	40,098
<b>Development of software system technology</b>	<b>4,037</b>	4,416
	<hr/> <b>184,153</b>	<hr/> 769,183

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1 BUSINESS REVIEW

#### 1.1 Overview

Since 2000, we have been consistently holding on to quality education and focusing on connotative growth. In addition, with the vision of “Becoming a Leading Education Service Provider of Digital Talents in China”, we concentrate on nurturing talents in IT industry and have gradually become a leading education technology group outputting education resources and products on the basis of higher education in China. Leveraging on our school-operating experience and high-quality resources accumulated in the IT higher education industry in the past 22 years, we have developed an ecosystem with full-time formal higher education services as our fundamental business; continuing education services, and education resources and apprenticeship programme as our two strategic businesses. The following table shows a breakdown of our revenue from the three business segments during the Reporting Period:

	For the six months ended 30 June		Percentage of change	Percentage of total revenue
	2022 <i>RMB'000</i> <i>(Unaudited)</i>	2021 <i>RMB'000</i> <i>(Unaudited)</i>		
Full-time formal higher education services	<b>580,348</b>	470,188	23.4%	78.0%
Continuing education services	<b>66,128</b>	58,255	13.5%	8.9%
Education resources and apprenticeship programme	<b>97,223</b>	69,448	40.0%	13.1%
of which: Education resources	<b>68,917</b>	31,915	115.9%	9.3%
Apprenticeship programme	<b>28,306</b>	37,533	-24.6%	3.8%
<b>Total</b>	<b>743,699</b>	597,891	24.4%	100.0%

#### 1.2 Full-time formal higher education services

The Group currently operates three universities, namely Dalian University in Liaoning province, Chengdu University in Sichuan province and Guangdong University in Guangdong province, all of which can provide bachelor degree programmes, junior college diploma programmes and junior college to bachelor degree transfer programmes.

### *1.2.1 Excellent education achievements of the three universities*

<b>Universities</b>	<b>Major education achievements in the Reporting Period</b>
<b>Dalian University</b>	<ul style="list-style-type: none"><li>• For the school year of 2022/2023, it established 1 new bachelor degree programme in Supply Chain Management and 1 new vocational bachelor degree programme in Electronic Information Engineering Technology;</li><li>• In 2022, 3 programmes were newly recognised as the National-level First-class Bachelor Degree Programme Construction Sites (國家級一流本科專業建設點), amounting to 7 recognised National-level First-class Bachelor Degree Programme Construction Sites, all of which are related to digital technology, and the recognised number ranking the first among all private universities and colleges in China;</li><li>• In 2022, 1 programme was newly recognised as the Provincial-level First-class Bachelor Degree Programme Construction Site (省級一流本科專業建設點), amounting to 8 recognised Provincial-level First-class Bachelor Degree Programme Construction Sites; accordingly added up to 15 programmes have been selected by the MOE into the “Twenty Thousand Project” for the First-class Bachelor Degree Programme Construction, a leading position among the private universities and colleges in China in terms of the number of recognised programmes, and the recognised number of digital technology related programmes ranking top among all universities and colleges (including public ones) in Liaoning Province;</li><li>• In 2022, 1 course was newly recognised as Provincial-level First-class Bachelor Degree Course (省級一流本科課程), amounting to 1 recognised National-level First-class Bachelor Degree Course (國家級一流本科課程) and 45 recognised Provincial-level First-class Bachelor Degree Courses;</li><li>• In 2022, a total of 52 Supply-Demand Matching on Employment and Education Programmes (供需對接就業育人項目) were approved by the MOE, the number of approved programmes ranking the first in Liaoning province and second in China;</li></ul>

**Universities      Major education achievements in the Reporting Period**

- Ranked the third among all universities and colleges across the country (for the second consecutive year), the first among engineering universities and colleges in China and the first among all private universities and colleges in Liaoning province in “2022 Best China’s Private Universities and Colleges Ranking of Shanghai Ranking” (軟科中國民辦高校排行榜 (2022) );
- In May 2022, 9 provincial-level teaching achievement awards (bachelor degree programme) were received, the total number of awards and first prizes ranking the first among private universities and colleges in Liaoning Province; besides, we also received 3 teaching achievement prizes on vocational education.

**Chengdu  
University**

- For the school year of 2022/2023, it established 1 new bachelor degree programme in Visual Communicating Design and 2 new vocational bachelor degree programmes in Software Engineering Technology and E-commerce Business;
- In 2022, 1 programme, the software engineering programme, was recognised as the National-level First-class Bachelor Degree Programme Construction Site for the first time;
- In 2022, 1 programme was newly recognised as the Provincial-level First-class Bachelor Degree Programme Construction Site, amounting to 6 recognised Provincial-level First-class Bachelor Degree Programme Construction Sites, all of which are related to digital technology, and the number of recognised programmes ranking the first among all private universities and colleges in Sichuan province;
- In 2022, 4 courses were newly recognised as Provincial-level First-class Bachelor Degree Courses, amounting to 10 recognised Provincial-level First-class Bachelor Degree Courses;

## **Universities      Major education achievements in the Reporting Period**

- In 2022, 5 courses were newly recognised as Provincial-level Demonstration Courses for Ideological and Political Theory and 1 team was recognised as Provincial-level Course Model Team;
- In 2022, a total of 20 Supply-Demand Matching on Employment and Education Programmes were approved by the MOE, the approved number ranking the second among all private universities and colleges in Sichuan province;
- In 2022, it received several honourable titles including one of the first batch of both Characteristic Demonstration Software Colleges (特色化示範性軟件學院) and Provincial Modern Industrial Colleges in Sichuan Province (省級現代產業學院) .

### **Guangdong University**

- For the school year of 2022/2023, it established 1 new bachelor degree programme in Robot Engineering;
- In 2022, 2 programmes were newly recognised as the Provincial-level First-class Bachelor Degree Programme Construction Sites, amounting to 3 recognised Provincial-level First-class Bachelor Degree Programme Construction Sites;
- In 2022, 7 courses were newly recognised as Provincial-level First-class Bachelor Degree Courses, amounting to 12 recognised Provincial-level First-class Bachelor Degree Courses;
- In 2022, a total of 23 Supply-Demand Matching on Employment and Education Programmes were approved by the MOE, the number of approved programmes ranking the first among all universities and colleges in Guangdong province;
- Ranked the first among all private universities and colleges in Guangdong Province in the 2021 National Ranking on College Students Competition released by the China Association of Higher Education (中國高等教育學會) .

## 1.2.2 The number of student enrolments

As of 30 June 2022, there was totally 45,492 on-campus students in our three universities, which increased by 16.4% as compared with that of 30 June 2021. The number of student enrolments in the three universities will further increase after the completion of new students' registration for the 2022/2023 school year.

	Student enrolments			
	As at 30 June 2022	As at 30 June 2021	Change	Percentage of change
<b>Dalian University</b>				
Bachelor degree programmes	14,530	13,703	827	6.0%
Junior college diploma programmes	925	1,038	-113	-10.9%
Junior college to bachelor degree transfer programmes	1,411	723	688	95.2%
<b>Subtotal</b>	<b>16,866</b>	15,464	1,402	9.1%
<b>Chengdu University</b>				
Bachelor degree programmes	12,405	11,322	1,083	9.6%
Junior college diploma programmes	2,058	1,132	926	81.8%
Junior college to bachelor degree transfer programmes	1,699	589	1,110	188.5%
<b>Subtotal</b>	<b>16,162</b>	13,043	3,119	23.9%
<b>Guangdong University</b>				
Bachelor degree programmes	9,965	9,381	584	6.2%
Junior college diploma programmes	1,044	1,196	-152	-12.7%
Junior college to bachelor degree transfer programmes	1,455	— <sup>(1)</sup>	1,455	— <sup>(1)</sup>
<b>Subtotal</b>	<b>12,464</b>	10,577	1,887	17.8%
<b>Total</b>	<b>45,492</b>	39,084	6,408	16.4%

Note:

- (1) The Guangdong University has been recruiting students on junior college to bachelor degree transfer programmes since September 2021.

### 1.2.3 Admission quota

In the 2022/2023 school year, the admission quota of the Group achieved steady growth, representing an increase of nearly 1,000 as compared with that of last school year. We believe that adhering to excellent education quality and preserving good brand reputation will help us maintain and further raise the admission quota of the three universities.

	<b>Admission quota</b>			
	<b>2022/2023</b>	2021/2022		Percentage
	<b>school year</b>	school year	Change	of change
<b>Dalian University</b>				
Bachelor degree programmes	<b>3,913</b>	4,169	-256	-6.1%
Junior college diploma programmes	<b>496</b>	496	—	—
Junior college to bachelor degree transfer programmes	<b>2,465</b>	960	1,505	156.8%
<b>Subtotal</b>	<b>6,874</b>	5,625	1,249	22.2%
<b>Chengdu University</b>				
Bachelor degree programmes	<b>5,500</b>	4,013	1,487	37.1%
Junior college diploma programmes	<b>350</b>	1,200	-850	-70.8%
Junior college to bachelor degree transfer programmes	<b>207</b>	165	42	25.5%
<b>Subtotal</b>	<b>6,057</b>	5,378	679	12.6%
<b>Guangdong University</b>				
Bachelor degree programmes	<b>2,409</b>	3,012	-603	-20.0%
Junior college diploma programmes	— <sup>(1)</sup>	500	-501	-100.2%
Junior college to bachelor degree transfer programmes	<b>1,788</b>	1,626	162	10.0%
<b>Subtotal</b>	<b>4,197</b>	5,138	-941	-18.3%
<b>Total</b>	<b>17,128</b>	16,141	987	6.1%

Note:

(1) There was no junior college diploma programme for Guangdong University in the 2022/2023 school year.

#### ***1.2.4 Admission scores of new students enrolled***

With the continuous improvement of the overall strength and the enhancement of our brand reputation of the three universities, we can attract, enrol and admit more quality students. The following table sets out the margin between admission scores of new students enrolled for the 2022/2023 school year of our three universities and the university cut-off scores of the province they locate, respectively.

	<b>Highest admission scores</b>		<b>Minimum admission scores</b>	
	<b>Physics stream/ Science stream</b>	<b>History stream/ Art stream</b>	<b>Physics stream/ Science stream</b>	<b>History stream/ Art stream</b>
Dalian University	156 scores higher	84 scores higher	54 scores higher	6 scores higher
Chengdu University	98 scores higher	52 scores higher	13 scores higher	13 scores higher
Guangdong University	60 scores higher	56 scores higher	23 scores higher	10 scores higher

### 1.2.5 Tuition fees and boarding fees

We insist on the strategy of optimising our pricing and adjusting the tuition fees and boarding fees as appropriate, in order to ensure a match between the fee standards and the extraordinary studying and living conditions we provide. Therefore, on the premise that we have optimised our pricing standard for two consecutive years, we choose to go on with our current standard in the 2022/2023 school year. We believe that the pricing of our three universities has stronger competitiveness in price-performance by virtue of nice education conditions and living environment. The following table sets forth the tuition fees and boarding fees applicable to new students enrolled for the school years as indicated.

	Tuition fees (RMB)		Boarding fees (RMB)	
	2022/2023 school year	2021/2022 school year	2022/2023 school year	2021/2022 school year
<b>Dalian University</b>				
Bachelor degree programmes	<b>28,000–34,000</b>	28,000–34,000	<b>2,400</b>	2,400
Junior college diploma programmes	<b>28,000</b>	28,000	<b>2,400</b>	2,400
Junior college to bachelor degree transfer programmes	<b>28,000</b>	28,000	<b>2,400</b>	2,400
<b>Chengdu University</b>				
Bachelor degree programmes	<b>18,000–20,000</b>	18,000–20,000	<b>2,000</b>	2,000
Junior college diploma programmes	<b>18,000–19,000</b>	18,000–19,000	<b>2,000</b>	2,000
Junior college to bachelor degree transfer programmes	<b>18,000–19,000</b>	18,000–19,000	<b>2,000</b>	2,000
<b>Guangdong University</b>				
Bachelor degree programmes	<b>28,000–32,000<sup>(1)</sup></b>	28,000–32,000 <sup>(1)</sup>	<b>3,000</b>	3,000
Junior college diploma programmes	<b>—<sup>(2)</sup></b>	23,000	<b>—<sup>(2)</sup></b>	3,000
Junior college to bachelor degree transfer programmes	<b>28,000–32,000</b>	28,000–32,000	<b>3,000</b>	3,000

*Notes:*

- (1) In addition, the tuition fees for the cooperative education project (bachelor degree programme) between Guangdong University and the University of the West of England is RMB68,000 per year.
- (2) There is no junior college diploma programme in Guangdong University for the 2022/2023 school year.

### 1.2.6 School capacity and utilisation rate

The campus capacity of our three universities has been growing with the progress of the campus expansion construction projects. During the Reporting Period, there has been a total increase of over 7,000 beds in our three universities. Accordingly, the campus capacity of our three universities hit a record high of more than 58,000 beds as of 30 June 2022. The utilisation rate of the three universities would be further optimised with the arrival of new students for the 2022/2023 school year.

	Campus capacity <sup>(1)</sup>		Utilisation rate <sup>(2)</sup>	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Dalian University	24,525	22,443	68.77% <sup>(3)</sup>	75.31% <sup>(3)</sup>
Chengdu University	17,888	16,870	90.35%	96.06%
Guangdong University	15,647	11,663	79.66%	107.27% <sup>(4)</sup>
<b>Total/Average</b>	<b>58,060</b>	<b>50,976</b>	<b>78.35%</b>	<b>89.49%</b>

Notes:

- (1) The capacity of each school represents the total number of beds in student dormitories.
- (2) The utilisation rate of each school is calculated as the total number of students enrolled in our full-time formal higher education programmes as of 30 June or 31 December in each corresponding year divided by the school capacity as at that time.
- (3) Some other beds of Dalian University are used by formal continuing education students due to the development of formal continuing education business.
- (4) 848 graduates-to-be in Guangdong University lived outside the campus for the purposes of off-campus internships or practical trainings as at 31 December 2021.

### 1.3 Continuing education services

On the strength of the teaching resources of the three universities, 8 training schools operated by us in China and more than 50 training sites qualifications, we proactively provide formal continuing education and skills training services for various groups of students and institutions to meet the increasing qualification demands and skill requirements in the society and job market. Besides, we offer individual students diversified employment support services including employment counseling, employment referral and internship arrangement, giving them a hand in their successful employment.

### ***1.3.1 Formal continuing education***

As at 30 June 2022, the number of student enrolments for formal continuing education was 10,083, basically remaining even with that of last year, realising a revenue of approximately RMB38 million. In the future, we will continue maintaining a rather high number of student enrolments on formal continuing education with the reusable resources of the three universities, so as to meet the qualification demands and skill requirements for more groups.

### ***1.3.2 Skill training for individual customers (2C training)***

In 2022, we made a general plan for 2C training courses, upgrading the products with 4S system, namely PaaS (Platform as a Service), SaaS (Software as a Service), CaaS (Content as a Service) and DaaS (Data as a Service), and taking Online-Merge-Offline as the main delivery means. In addition, the “Neuedu IT Cloud Class” (<http://study.neutech.cn>), which we are currently developing, can already support online paying courses, and has been launched recently.

In 2C training, in addition to teaching and training in classroom, we also offer trainees opportunities to practice in the real corporate environment, so as to ensure that students can apply what they have learned and improve their abilities comprehensively. Most of the trainees were successfully recommended for employment after systematic training, many excellent trainees of whom received offers from many well-known enterprises including Digital China Information (stock code: 000555.SZ), Yusys Technologies (stock code: 300674.SZ), HAND (stock code: 300170.SZ), Join-Share (1543.HK), with the highest annual salary reaching nearly RMB200,000.

During the Reporting Period, the 2C training business of the Group enrolled a total of 7,570 students, realising a revenue of approximately RMB22 million.

During the Reporting Period, the training schools of the Group in Shenyang, Dalian, Nanjing and Guangzhou were subject to temporary closures due to the regional outbreaks of the COVID-19 pandemic, posing some impact on the business operations. In the future, we plan to continue enhancing on-line training and opening more training courses of different directions and types on the support of 4S system in order to meet the needs on IT skills improvement of various groups and constantly provide talents for IT industry.

### ***1.3.3 Short-term training for institutional clients (2B training)***

During the Reporting Period, we carried out diversified training programmes including teachers' quality improvement training, "1+X" certificate training and staff skill training for 18 institutions from 7 province and autonomous regions of Sichuan, Shanxi, Hebei and others. The number of charging programmes reached 39, 4 more than that of the corresponding period of last year. The training service covered 2,315 trainees, realising a revenue of approximately RMB5 million.

## **1.4 Education resources and apprenticeship programme**

With the experience and accumulation on school operation in IT area during the past 22 years, the TOPCARES characteristic education approach and the practical experience in IT industry, we researched and developed our superior education resources and teaching products, providing our cooperating universities and colleges with comprehensive products and services including joint establishment of academic majors, smart education platforms and teaching content, and practical training solutions. Besides, we also provide students from cooperating universities and colleges with intensive practical training on real projects in the entrepreneurial atmosphere through our apprenticeship programme.

For recent years, we proactively improved the brand influence and product awareness of Neuedu by taking "Competition" and "Certification" as the breakthrough point. We have successfully organised and supported dozens of IT competitions in the scale of provincial or municipal or the whole industry, in which hundreds of universities and colleges participated; besides, Neuedu JavaWeb Application Development Vocational Skills Level Certificate was selected as one of the fourth batch of 1+X certificates by the MOE, for which more than 140 universities and colleges have applied to be pilot sites; in addition, the "Software Project Development Practical Training System V1.0", our star product, was awarded the "Excellent Software Product in Liaoning Province" by Liaoning Software Industry Association. A number of events and honours enabled us to open the market quickly and lay foundation for the sustainable development of the business.

### ***1.4.1 Joint establishment of industrial colleges and academic majors***

At the basis of the 22-year school operating accumulation, at the core of developed and optimised education resources of 17 predominant popular majors, at the focus of comprehensive education resource system comprised of 181 standard major courses and 1,152 systematic practical training projects of 1–5 level, with the feature of TOPCARES education approach, with the highlights of practical training in apprenticeship programme, we carried out cooperation with a number of universities and colleges across the country in joint establishment of industrial colleges and academic majors, in order to apply the concept of “Empower Students with Innovative Education” into teaching activities more deeply and widely on the new education mode with lighter assets and faster expansion. The software college, jointly established by us with Dalian University of Technology, Northeastern University and China University of Petroleum, was approved among the first batch of the Characteristic Demonstration Software Colleges (特色化示範軟件學院). The “Artificial Intelligence Industrial Colleges” jointly established with Nanjing University of Information Science and Technology, and the “Intelligent Software College” jointly established with Guangzhou University, were awarded as the national-level modern industrial colleges. In addition, a number of industrial colleges jointly established with colleges and universities were rated as the provincial-level modern industrial colleges and the Vocational Education Revitalizing Liaoning Industrial Colleges in Liaoning Province (遼寧省職業教育興遼產業學院), etc.

During the Report Period, our “Neuedu Modern Industrial College Jointly Established on the Concept of Dual Cultivation and Industry-Education Integration” was selected as a typical case of Industry-Education Integration and School-Enterprise Cooperation of the MOE; the Neuedu Information Industrial College we established together with Yunnan Technician College was selected as an excellent case of industry-education integration in the 5th China IT Education Boao Forum in CIE2021; we played an active role in organising students from jointly established industrial colleges to participate in various competitions, in which they won 32 awards of national, provincial and municipal levels.

During the Reporting Period, the Group has established cooperation relationship with 65 universities and colleges on joint establishment of industrial colleges and academic majors, of which more than three quarters are public institutions. The business in joint establishment of academic majors had a total of over 250 projects, covering 17,960 students, increasing by 35% from that of the same period of last year and realising a revenue of approximately RMB36 million. In addition, the Group entered into cooperative agreements on joint establishment of academic majors or industrial colleges with another 8 new universities and colleges during the Reporting Period, which are expected to be carried out in the coming school year.

### ***1.4.2 Smart education platform, teaching content and practical training laboratory solutions***

We are highly concerned about the revolutionary and instructing role of cutting-edge technology reform on the direction of future education development. Furthermore, we developed a series of products including digital campus, smart teaching management platform and practical training room, focusing on smart education, digital education, integrated education and lifelong education.

During the Report Period, we launched and upgraded three platform system products — “Neuedu IT Cloud Class”, Neuedu Cloud Practice Platform and Neuedu Smart Education Platform, which optimised teaching and learning experience in aspects of intelligent education, lifelong education, cloud education and practical education. We also developed two new practical training rooms during the period — Medical Imaging Practical Training Room and Intelligent Monitoring Practical Training Room both expected to be officially released in the second half year of 2022. During the Reporting Period, the Group realised a total revenue of approximately RMB29 million on smart education platform, teaching content and practical training solutions, representing an increase of 264.3% compared with that of the same period of last year.

### ***1.4.3 Apprenticeship programme***

The apprenticeship programme serves as a platform for students to obtain practical training in a real corporate environment and thus also an essential part in our cooperation with other universities and colleges. During the Reporting Period, due to the impact of repeated COVID-19 outbreaks in different regions as well as local epidemic prevention policies, only 8 out of 14 off-campus execution centres for apprenticeship programme we set in China (9 of which are jointly established) actually carried out on-site students training programmes. At the same time, we are gradually promoting the transformation of apprenticeship programme mode, which is, to replace the self-established apprenticeship programme training bases with those jointly established with government, and to replace the project developing and training programmes that engineers directly participated in with self-developed online training project resources.

## 1.5 Online Education

Facing the change of education mode under the new situation, we launched a personalised, highly applicable, full-stage mobile-end online studying platform — “Neuedu Online” APP in 2021, as an active respond to the national policy, a timely compliance with the market demands and an efficient reuse of Neuedu resources. “Neuedu Online”, since its launch, has been selected as one of the cooperating online platforms of the MIIT Education and Examination Centre, and has become the Vice President of Information Technology Online Studying Platform Development Committee of the MIIT. It also has been selected into Employment & Entrepreneurship for New Occupation Platforms of the MHRSS, listed among 100 Quality Online Vocational Skill Platforms recommended by the MHRSS and in cooperation with “Skill China” platform of the MHRSS.

As of 30 June 2022, “Neuedu Online” had more than 700,000 registered accounts. During the Report Period, the cumulative course duration was about 37,000 hours, of which nearly 60 percent were charging courses. Many students chose to study tutorials on office software, Python and webpage making through “Neuedu Online”. In addition, a total of over 17,000 students have participated in human resources assessments through “Neuedu Online”, quite a number of students applying for satisfactory positions through the APP.

In the first half year of 2022, after “Neuedu Online”, we launched “Neuedu IT Cloud Class”, an internet lifelong education studying platform for IT. The platform integrates the superior teaching resources of Neuedu, providing users with popular studying resources of Java, front-end, Python and others to meet the various needs of users on ability improvement, interview and employment, job promotion. “Neuedu IT Cloud Class” provides users with two terminal modes of PC terminal and mobile service account, truly realising cross-platform and cross-system services. The successive launch of “Neuedu Online” and “Neuedu IT Cloud Class” initially constructed the framework of the Group’s online education business, and further demonstrated our strength and confidence in the development in this area.

## 1.6 Impact of the COVID-19 Pandemic

In view of the COVID-19 pandemic, the Group has taken necessary health precaution to safeguard the safety of our teachers and students. During the Reporting Period, the three universities of the Group resumed on-site teaching, adopted closed-off management of campus, and carried out part of the enrolment and employment work online. During the Reporting Period, the Group's training schools in Shenyang, Dalian, Nanjing and Guangzhou and execution centres for apprenticeship programme in several places were temporarily closed due to the regional outbreak of the COVID-19 pandemic, and online education and practical training services were provided through the self-developed online smart education platform during the closure.

The management has concluded that, the COVID-19 pandemic has no material effect on the financial position of the Group for the six months ended 30 June 2022. The Group will pay continuous attention to the development of the COVID-19 pandemic so as to minimise the impact from the COVID-19 pandemic on the Group. If there is any material adverse financial impact, the Group will make further announcement(s) as and when necessary and make representation in respect thereto in the financial statements of the Group for the year 2022.

## 2 FINANCIAL REVIEW

### Revenue

Our revenue was RMB743.7 million for the six months ended 30 June 2022, representing an increase of 24.4% as compared with the corresponding period of last year. Details of analysis are as follows:

- Revenue derived from our full-time formal higher education services was RMB580.3 million, representing an increase of 23.4% as compared with the corresponding period of last year, mainly due to the increase of student enrolment and the average tuition fees in our three universities.
- Revenue derived from our continuing education services was RMB66.1 million, representing an increase of 13.5% as compared with the corresponding period of last year, mainly due to the growth of formal continuing education and the skill training for individual customers.
- Revenue generated from the education resources was RMB68.9 million, representing an increase of 115.9% as compared with the corresponding period of last year, mainly due to the rapid growth of revenue from joint establishment of academic majors, smart education platform and teaching resources, practical training solutions.

- Revenue derived from our apprenticeship programme was RMB28.3 million, representing a decrease of 24.6% as compared with the corresponding period of last year, mainly due to the fact that we are gradually promoting the transformation of apprenticeship programme mode, which is, to replace the self-established apprenticeship programme training bases with those jointly established with government, and to replace the project developing and training programmes that engineers directly participated in with self-developed online training project resources. During the Reporting Period, a vast majority of our revenue from the apprenticeship programme was derived from the revenue arising from the services provided by engineers. The decrease in the number of engineers resulted in the decrease in revenue from the apprenticeship programme.

### **Cost of revenue**

Our cost of revenue was RMB394.2 million for the six months ended 30 June 2022, representing an increase of 15.8% as compared with the corresponding period of last year. Such increase was mainly due to (i) the increase in staff remuneration resulted from the business growth, (ii) the increase in depreciation and amortization expenses because of the completion and use of new campuses of Dalian University and Chengdu University.

### **Gross profit**

Gross profit was approximately RMB349.5 million for the six months ended 30 June 2022, representing an increase of 35.7% as compared with the corresponding period of last year. Such increase was mainly due to the fact that the increase in revenue outweighs the increase in costs.

### **Selling expenses**

Selling expenses was approximately RMB18.2 million for the six months ended 30 June 2022, representing an increase of 13.7% as compared with the corresponding period of last year. Such increase was mainly due to the fact that we stepped up the development of the market of our continuing education services and the education resources business.

### **Research and development expenses**

Research and development expenses was approximately RMB22.9 million for the six months ended 30 June 2022, representing an increase of 5.3% as compared with the corresponding period of last year. Such increase was mainly due to the increase in investment in research and development of platform products and resources, laying foundation to the sustainable development of our business in the future.

## **Other income**

Other income was approximately RMB119.2 million for the six months ended 30 June 2022, representing an increase of 154.9% as compared with the corresponding period of last year, mainly due to the increase of government grants, rental income and property management income.

## **Net finance expenses**

Net finance expenses was approximately RMB37.2 million for the six months ended 30 June 2022, representing an increase of 33.7% as compared with the corresponding period of last year, mainly due to the increase in interest costs of bank borrowings.

## **Income tax expense**

Income tax expense was approximately RMB75.6 million for the six months ended 30 June 2022, representing an increase of 134.2% as compared with the corresponding period of last year, mainly due to the increase in taxable profit and the raise of average tax rate.

## **Profit for the period**

As a result of the foregoing, for the six months ended 30 June 2022, profit for the period increased by approximately 83.6% as compared with the corresponding period of last year.

Net profit attributable to owners of the Company was approximately RMB233.2 million for the six months ended 30 June 2022, representing an increase of 114.7% as compared with the corresponding period of last year, mainly due to (i) the increase in profit for the period; and (ii) the completion of acquisition of 19.18% Minority Interest in Neusoft Ruixin (a subsidiary of the Company) by the Group on 1 June 2021. As a result, the owners of the Company possess 100% of the net profit of Neusoft Ruixin in the first six months of 2022 (compared with 80.82% of the net profit of Neusoft Ruixin in the first five months and 100% of the net profit of Neusoft Ruixin in the sixth month of 2021).

## Non-IFRS measure

To supplement the Group's Consolidated Financial Statements which are presented in accordance with IFRS, the Group also use "Adjusted Net Profit", "Adjusted Net Profit Attributable to Owners of the Company" and "Adjusted Net Profit Margin" as additional financial measures. The Group's Adjusted Net Profit and Adjusted Net Profit Attributable to Owners of the Company were calculated as profit for the period/year and profit for the period/year attributable to owners of the Company after deducting the impact of (a) share-based compensation expense; and (b) net exchange losses/(gains). The Group defines Adjusted Net Profit Margin as Adjusted Net Profit divided by revenue. IFRS does not define the Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company or Adjusted Net Profit Margin. The use of Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin as analytical tools is significantly limited as they do not include all the items affecting the Group's profit for the period/year and the profit for the period/year attributable to owners of the Company. The Company presents these financial measure because it may eliminate potential impacts of non-recurring items that the management do not consider to be indicative of the Group's operating performance. The Company also believe that such non-IFRS measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations of the Group in the same manner adopted by the management of the Company and in comparing financial results across accounting periods with peer companies.

In light of the limitations for Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin, when assessing the Group's operating and financial performance, you should not view Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin in isolation or as substitutes for the Group's profit for the period, profit for the period attributable to owners of the Company or any other operating performance measure that is calculated in accordance with IFRS. In addition, because these non-IFRS measures may not be calculated in the same manner by all companies, they may not be comparable to other similarly measures used by other companies.

The following table reconciles the Group's Adjusted Net Profit for the periods presented to the profit for the periods calculated and presented in accordance with IFRS:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(RMB'000)</b>	(RMB'000)
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period	<b>232,982</b>	126,886
Adjusted items:		
Share-based compensation expenses	<b>3,785</b>	10,937
Exchange losses/(gains) — net	<b>(5,031)</b>	4,698
Adjusted Net Profit	<b>231,736</b>	142,521

Adjusted Net Profit was approximately RMB231.7 million for the six months ended 30 June 2022, representing an increase of 62.6% as compared with that for the corresponding period of last year. Adjusted Net Profit Margin were 31.2% and 23.8% for the six months ended 30 June 2022 and 30 June 2021, respectively.

The following table reconciles the Group's Adjusted Net Profit Attributable to Owners of the Company for the periods presented to the profit attributable to owners of the Company for the periods calculated and presented in accordance with IFRS:

	<b>For the six months ended 30 June</b>	
	<b>2022</b> <i>(RMB'000)</i>	2021 <i>(RMB'000)</i>
Profit attributable to owners of the Company	<b>233,176</b>	108,587
Adjusted items:		
Share-based compensation expenses	<b>3,785</b>	9,089
Exchange losses/(gains) — net	<b>(5,031)</b>	4,698
Adjusted Net Profit Attributable to Owners of the Company	<b><u>231,930</u></b>	<u>122,374</u>

Adjusted Net Profit Attributable to Owners of the Company was approximately RMB231.9 million for the six months ended 30 June 2022, representing an increase of 89.5% as compared with that for the corresponding period of last year.

## **Financial and liquidity position**

### ***Liquidity, financial resources and capital structure***

The Shares of the Company were successfully listed on the Main Board of the Stock Exchange on 29 September 2020. There has been no change in the capital structure of the Group since then.

As at 30 June 2022, the issued share capital of the Company was HK\$133,989, and the number of issued ordinary shares was 669,947,535 of HK\$0.0002 each.

As at 30 June 2022, cash and cash equivalents of the Group amounted to approximately RMB882.8 million (31 December 2021: approximately RMB1,228.5 million). As at 30 June 2022, total bank borrowings of the Group amounted to approximately RMB2,539.0 million (31 December 2021: approximately RMB2,167.2 million). Borrowings were all denominated in Renminbi and Hong Kong dollars. Interests are charged at fixed rates and floating rates. The Group did not carry out any interest rate hedging policy.

### ***Treasury policy***

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

### ***Current ratio***

As of 30 June 2022, the current ratio of the Group (i.e. current assets divided by current liabilities) was 0.79 (31 December 2021: 0.81).

### ***Contingent liabilities***

As of 30 June 2022, the Group did not have any unrecorded significant contingent liabilities or any material litigation against the Group.

### ***Foreign exchange exposure***

The majority of the Group's revenue and expenditures are denominated in Renminbi. During the six months ended 30 June 2022, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk.

### ***Charge on assets***

As at 30 June 2022, the Group had (i) bank borrowings of RMB1,522.4 million pledged by certain collection rights of tuition fees and boarding fees, and (ii) bank borrowings of RMB343.0 million pledged by certain equity interests.

### ***Gearing ratio***

As at 30 June 2022, the gearing ratio (being total debt divided by total equity, of which total debt refers to the sum of interest-bearing bank loans, other borrowings and lease liabilities) of the Group was 158.3% (31 December 2021: 147.1%).

### ***Capital expenditures***

The capital expenditures of the Group for the six months ended 30 June 2022 amounted to approximately RMB304.6 million, which was primarily related to the upgrade and expansion of our campuses.

### ***Material acquisitions or disposals of subsidiaries, associates and joint venture***

For the six months ended 30 June 2022, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures.

### ***Significant investments***

As of 30 June 2022, the Company did not have any significant investment accounting for 5% of the Company's total assets.

### ***Future plans for material investments or capital assets***

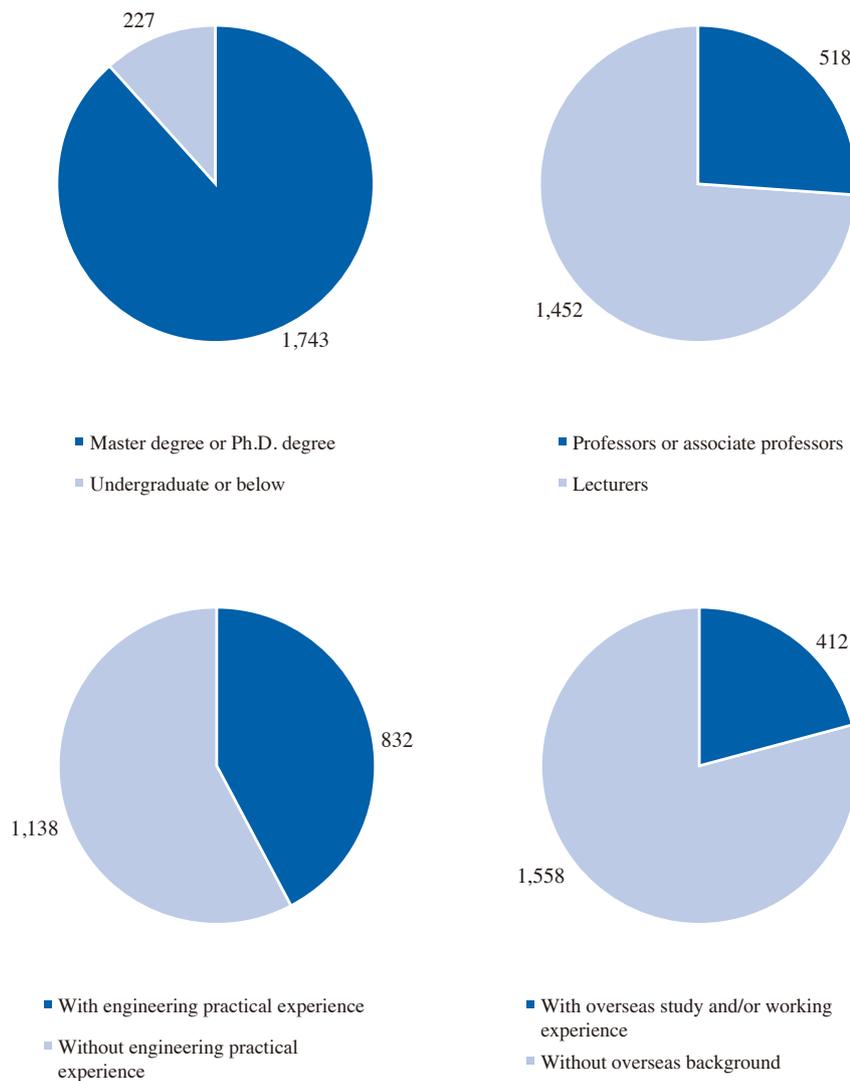
Neusoft Education Technology Group Co. Limited (東軟教育科技集團有限公司), a subsidiary of the Company, entered into the Cooperation Agreement (“**Cooperation Agreement**”) with Fujian Jiantou Group Co., Limited (“**Fujian Jiantou**”) on 12 April 2021. Pursuant to the Cooperation Agreement, (i) Fujian Jiantou will establish a Putian Xianliang Education Technology Co. Limited (“**Project Company**”) (莆田市賢良教育科技有限公司), which will be responsible for land acquisition and project construction; (ii) as the sponsor of the new college, the Project Company will be responsible for obtaining the school license of the relevant college, and (iii) Fujian Jiantou agreed that Neusoft Education Technology Group Co. Limited (or other member companies of the Group) can acquire all equity interest in the Project Company after the completion of campus construction. Pursuant to the Cooperation Agreement, Neusoft Education Technology Group Co. Limited shall pay deposit (“**Deposit**”) of RMB200 million to Fujian Jiantou. The deposit is intended to be funded from the proceeds of the relevant initial public offering (approximately RMB100 million) and its own internal funds (approximately RMB100 million). After the completion of the campus construction, Neusoft Education Technology Group Co. Limited and Fujian Jiantou will jointly appoint a qualified independent valuer to evaluate the 100% equity interest of the Project Company, so as to determine the price of transferring equity in the Project Company. For details, please refer to the announcement of the Company dated 12 April 2021 and the circular dated 21 May 2021.

Save as disclosed above and under the section headed “Future Plans and Use of Proceeds” in the Prospectus of the Company dated 17 September 2020, the Group did not have any other plans for material investments or capital assets as of 30 June 2022.

### 3 EMPLOYEE AND REMUNERATION POLICY

We believe that an experienced and dedicated faculty is essential to our success and we are committed to building a professional, practical and internationalised faculty of a high standard. We hire outstanding teachers who have strong academic knowledge and/or practical skills in their respective professional fields, an open mind to innovative teaching methods and a caring attitude towards the health of students.

As of 30 June 2022, our three universities had 1,970 full-time teachers and 945 part-time teachers, including approximately 88.5% of the full-time teachers with a master degree or Ph.D. degree, approximately 26.3% being professors or associate professors, approximately 42.2% with engineering practice experience in enterprises, and approximately 20.9% with overseas studies and/or working experience.



As of 30 June 2022, the Group has 3,362 employees, and the number of employees employed varies from time to time depending on needs. The Group believes that attracting, recruiting and retaining high-quality employees is essential to the success and sustainability of the Group. The Group provides employees with a competitive remuneration package, which is determined in accordance with prevailing industry practice and employees' education backgrounds, experiences and performance. As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including, among others, housing provident funds, pensions, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. In addition, the Group provides its employees with relevant training courses suited to their personal development, and also provides them with benefits, including commercial insurance, corporate annuities, welfare medical examinations, and holiday gifts. For six months ended 30 June 2022, the total cost of employee remuneration of the Group (including Directors' fees) was RMB309.9 million (the six months ended 30 June 2021: RMB268.1 million).

The Company adopted a Pre-IPO Share Incentive Scheme on 19 June 2019 and a Post-IPO Share Incentive Scheme on 11 September 2020 to motivate Directors and eligible employees. Details of such plans are set out in the section headed "Share Incentive Schemes" of the Appendix V to the Company's Prospectus. As of 30 June 2022, 1,780,980 share options under the Pre-IPO Share Incentive Scheme have been cancelled, 4,465,116 share options have lapsed, and 3,280,335 share options has been exercised; and no options under the Post-IPO Share Incentive Scheme have been granted, exercised, lapsed or cancelled.

## **4 FUTURE DEVELOPMENTS**

### **4.1 Development environments**

#### ***4.1.1 Focus on the quality development of vocational education***

The newly revised *Vocational Education Law of the People's Republic of China* was published on 20 April 2022 and has been officially in effect on 1 May 2022, which further clarified the requirements of pushing forward the reform of vocational education, adhering to industry-education integration and school-enterprise cooperation, market-oriented and employment promotion, practice-oriented and competence reinforcement; promoting multiparty school operation and the in-depth participation of enterprises in vocational education, encouraging enterprises to provide quality vocational education. Previously, the key assignments of vocational education in 2022 published by the MOE, has also clarified the focus on the two dominant tasks of "quality enhancement" and "image improvement", promoting stable progress of vocational bachelor degree programmes, promoting digital upgrading and the establishment of inner construction cycle of vocational education, as well as promoting quality development of modern vocational education. In such context, our applied teaching system, continuing education services and education resources will be further enhanced.

#### ***4.1.2 Guarantee demand on employment and obtain access to employment***

In 2022, the number of the graduates of universities and colleges hit a record high, reaching 10.76 million, the first time over 10 million. Meanwhile, enterprises are faced with the deteriorating downward pressure of economic growth due to the COVID-19 pandemic, leading to an increasingly aggravated contradiction between supply and demand in the job market. In this context, it will become a core requirement at the micro level of the job market to pave the way practitioners' career growth through effective training of students' practical ability and the comprehensive improvement of personal vocational accomplishments. The *Notice on Further Improving the Employment and Entrepreneurship of Young Graduates from Universities and Colleges* published by the General Office of the State Council in May 2022 emphasised that “to pay attention to the combination of theory and practice, to carry out various practical teaching such as simulation training and job trial”. Moreover, as Premier Li Keqiang said, “Employment is not only a matter of people's livelihood, but also a matter of development. It is also a macro policy to put priority on employment.” In the past 22 years, the Group has consistently been enterprise demand-oriented and has improved the practical ability of students through the apprenticeship programme, which enables students to better adapt to the increasingly intense job market competition. The introduction of relevant policies provides a policy supporting environment for the expansion of the Group's business.

## **4.2 Development strategies**

### ***4.2.1 Insisting on quality school operation and establishing first-class bachelor degree programmes***

We will implement the fundamental task of strengthening moral education and cultivating talents, following the development pattern of higher education, holding on to the concept of “Empower Students with Innovative Education” and centred around the essential strategy and development demand of regional digital economy industry. We will promote in-depth education reform, continuously update teaching content and accumulate the digital teaching resources, with value creation on students at the core and the TOPCARES education approach as the guide. At the same time, with the support of 25 National-level and Provincial-level First-class Bachelor Degree Programme Construction Sites, we will accelerate the establishment of new majors and facilitate the “intra-group symbiosis and inter-group synergy” among majors to build superior majors group. We will promote the digital transition of education with digital technology to lay a solid foundation for our competitive advantages in private IT higher education. In addition, we will also continue increasing the investment in school operation to reinforce the match between the stably growing admission quota and the constantly expanding school capacity as well as the consistently optimising campus environment of the three universities to create a new education ecosystem in which key stakeholders are enabled to enjoy “common development, shared growth and win-win scenario”.

#### ***4.2.2 Targeting at employment and entrepreneurship demand and leading applied education development***

We will continue focusing on the sophisticated professional track of “IT + HT (Healthcare Technology)”, which has an extensive, stable and sustainable growth on the talent demands. We will directly and precisely connect with the industry market and enterprise demand, and set the talent cultivation plan based on the applied talent requirements to actually help students “study what they will apply and apply what they have studied”. We will promote the optimising and upgrading of the university-enterprise cooperation pattern including “internship dispatch” and “oriented training”. We will actively establish far-going, in-depth and long-term cooperation with large and medium-sized enterprises in the industry to build a newly applied education ecosystem of “from education to application, from campus to enterprises”.

#### ***4.2.3 Reinforcing product research and development and exploring cutting-edge technologies***

*The Plan to Facilitate Development of the Digital Economy in the 14th Five-Year Plan Period (2021–2025)* pointed out that it will push forward the digital transition of industry and enhance its innovation ability on key technologies and the competitiveness of core industries. Technology empowering education reform will be the firm direction of future education development under the background of continuous digital and intelligent education innovation in China and with the continuous strengthening of knowledge density, resource thickness and technology intensity in education industry. We will continue controlling the course quality strictly by strengthening the research and development of online education resources. We will continue reinforcing the platform operation and maintenance and the user behaviour management to further develop quality education resources and optimise public education services. We will promote the research on the integrated platform of smart campus in depth on account of supporting the vertical integration of cultivation plans, courses, projects, examinations, activities, graduation programmes and other functions. We will continue improving interactive teaching resources, supplementing cutting-edge knowledge and key resources, strengthening the practice module of the practical training solutions, and optimising and upgrading the user experience of all education products. We will proactively explore the integration and development of artificial intelligence, cloud computing, metaverse and other sophisticated cutting-edge technologies in all teaching resources.

#### ***4.2.4 Consolidating the “3+N” light-asset delivery mode and optimising the “Two Strategic Businesses” high-speed developing engine***

We will optimise the cooperation delivery mode that is asset light, online + offline, reproducible, and high-growth, based on the drivers of the Two Strategic Businesses of continuing education services as well as education resources and apprenticeship programme. We will make full use of cooperation in joint establishment to output our first-class education products and services and to realise the effective expansion of our education size. At the same time, we will take advantage of the big data of students obtained from the cooperation in joint establishment to lay a solid development foundation for the update and iteration upgrade of education products via continuously strengthening the suitability and irreplaceability of products, and thus maintain and improve the Company’s good brand reputation.

#### ***4.2.5 Vigorously developing online education and effectively expanding the teaching market***

We will continue taking the 22-year education accumulation of our three universities as the axis, the self-developed education resource products as the radius, the self-developed on-line platforms as the foothold, the customer demand as the orientation, to work out the blueprint of online education development and to develop the platform ecology of “skills upgrading courses + practical training programmes + employment and entrepreneurship tutorial” constantly. We will assist students to master their learning progress and check and make up the deficiency timely by generating the personalised diagnosis reports based on comprehensive analysis of learning behaviour data constantly collected throughout the whole process. We will form an effective new mode of practitioners’ self-promotion by improving the evaluation system of practitioners’ capability, promoting the recognition scope of certification for skill enhancement courses and making efforts through the certification channel of “test, study, practice, examination, certification and employment”.

## **5 MATERIAL EVENTS AFTER THE REPORTING PERIOD**

After the Reporting Period and up to the date of this announcement, there were no material events affecting the Company or any of its subsidiaries.

## USE OF PROCEEDS FROM THE IPO

On 29 September 2020, the Company's shares were listed on the Main Board of the Stock Exchange. The net proceeds from the IPO were approximately HK\$924.2 million (approximately RMB777.5 million), which were intended to be used for the purposes set out in the Prospectus.

On 8 June 2021, the Board resolved to reallocated part of the unutilised IPO Proceeds of approximately RMB59.9 million (approximately 8% of the IPO proceeds) originally intended to be used for the acquisition of other schools to repay commercial loans of the Group. For details of the change in the use of proceeds from the IPO, please refer to the announcement of the Company dated 8 June 2021.

As of 30 June 2022, the use of proceeds from the IPO is as follows:

	<b>% of net proceeds</b>	<b>Revised net proceeds from the IPO</b>	<b>Amount utilised as at 30 June 2022</b>	<b>Amount unutilised as at 30 June 2022</b>	<b>Expected time to utilise all the unutilised amount</b>
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	
Upgrading our existing school facilities and expanding our campus	51.4%	399.6	337.0	62.6	2022
Acquisition of other schools	12.9%	100.0	50.0	50.0	2022
Repay commercial loans	25.4%	198.0	198.0	—	N/A
Supplement working capital	10.3%	79.9	79.9	—	N/A
<b>Total</b>	<b>100%</b>	<b>777.5</b>	<b>664.9</b>	<b>112.6</b>	<b>2022</b>

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Directors have been granted a general mandate by the Shareholders at the annual general meeting of the Company held on 27 May 2022 (the “AGM”) to repurchase up to 66,980,753 Shares (the “Repurchase Mandate”) on the Stock Exchange, representing 10% of the total number of issued Shares of the Company as at the date of the AGM. During the six months ended 30 June 2022, the Company repurchased a total of 10,123,200 Shares on the Stock Exchange under the Repurchase Mandate at a total consideration (excluding expenses) of approximately HK\$41,697,728, which was funded by internal resources of the Company. All 10,123,200 Shares repurchased by the Company during the Reporting Period were cancelled on 13 July 2022. Details of Shares repurchased by the Company during the Reporting Period are set out below:

Month of repurchase	Number of Shares repurchased	Price per share repurchased		Aggregate consideration paid (excluding expenses) (HK\$)
		Highest price (HK\$)	Lowest price (HK\$)	
June 2022	10,123,200	4.25	3.75	41,697,728
Total	10,123,200	—	—	41,697,728

The Board believes that the Company's existing financial resources are sufficient to carry out its repurchase of Shares, while keeping the continuing operation of the Company in a good financial condition. Such repurchase of Shares would reflect the Board's confidence in the Company's prospects, and benefit the Shareholders as a whole by enhancing the earnings per share of the Company, therefore in line with the best interests of the Company and its Shareholders.

Save as disclosed above, none of the Company or any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

### INTERIM DIVIDEND

The Board did not recommend any payment of interim dividend for the Reporting Period.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirms that the Company has maintained the prescribed minimum public float under the Listing Rules during the six months ended 30 June 2022.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining and promoting stringent corporate governance. The corporate governance principles of the Company are to promote effective internal control measures, to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations, and to enhance the transparency and accountability of the Board to Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

For the six months ended 30 June 2022, the Company has complied with the code provisions of the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code.

The Board will continue to review and monitor the Company's practice to ensure the compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

## **COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. In addition, the Company has also adopted a code of conduct regarding the Directors securities transactions on terms no less exacting than the required standard set out in the Model Code.

The Company has made specific enquiry of the Directors, and all Directors confirmed that they have complied with the Model Code and the code of conduct during the six months ended 30 June 2022.

## **FINANCIAL INFORMATION REVIEW**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As of the date of this announcement, the Audit Committee is comprised of two independent non-executive Directors (Dr. LIU Shulian and Dr. QU Daokui) and one non-executive Director (Mr. RONG Xinjie). Dr. LIU Shulian is the chairperson of the Audit Committee.

The Audit Committee has reviewed the Company's unaudited interim condensed consolidated financial Information for the six months ended 30 June 2022, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim financial information for the six months ended 30 June 2022 is unaudited, but has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Auditing and Assurance Standards Board.

## **PUBLICATIONS OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.neuedu.com/>). The interim report of the Group for the six months ended 30 June 2022 will be available on the above websites of the Stock Exchange and the Company and dispatched to Shareholders of the Company in due course.

## DEFINITIONS

“%”	per cent
“Adjusted Net Profit”	a non-IFRS measure that eliminates the effect of certain non-recurring items from our profit for the year. See “Financial Information — Non-IFRS Measure”
“APP”	an application, especially as downloaded by a user to a mobile device
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“Chengdu University”	Chengdu Neusoft University ( 成都東軟學院 ), established in 2003, and one of the universities operated by our Group
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Company”, “our Company”, or “the Company”	Neusoft Education Technology Co. Limited ( 東軟教育科技有限公司 ), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 20 August 2018
“Consolidated Affiliated Entities”	entities controlled by the Company through the Contractual Arrangements and considered as our subsidiaries
“Contractual Arrangements”	the contractual arrangements entered into by our Group as described in the section headed “Contractual Arrangements” in the Prospectus of the Company
“Dalian University”	Dalian Neusoft University of Information ( 大連東軟信息學院 ), established in 2004, and one of the higher education schools operated by our Group
“Director(s)”	the director(s) of our Company
“14th Five-Year”	the 14th Five-Year of national economic and social development of the People’s Republic of China, i.e., the five-year period of 2021–2025

“Group”, “we”, “us”, or “our”	the Company and its subsidiaries (including our Consolidated Affiliated Entities) from time to time or, where the context requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Guangdong University”	Neusoft Institute, Guangdong ( 廣東東軟學院 ), established in 2003, and one of the universities operated by our Group
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Laws”	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, interpretations or rulings of any Governmental Authority (including the Stock Exchange and Securities and Futures Commission of Hong Kong) of all relevant jurisdictions
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“MHRSS”	Ministry of Human Resources and Social Security of the People’s Republic of China ( 中華人民共和國人力資源和社會保障部 )
“MIIT”	Ministry of Industry and Information Technology of the PRC ( 中華人民共和國工業和信息化部 ) (formerly known as Ministry of Information Industry)
“Minority Interest”	19.18% interest in Neusoft Ruixin originally held by PICC Life Insurance Company Limited, North-eastern University Science & Technology Industry Group Co., Ltd. and PICC Health Insurance Company Limited
“MOE”	Ministry of Education of the People’s Republic of China ( 中華人民共和國教育部 )

“Neusoft Ruixin”	Dalian Neusoft Ruixin Technology Development Co., Limited, a company incorporated under PRC Laws on 17 May 2019 and a wholly-owned subsidiary of the Company
“Pre-IPO Share Incentive Scheme”	the share option scheme of the Company as approved by the Board on 19 June 2019, as amended from time to time, and detailed in “Statutory and general information — Share Incentive Schemes — Pre-IPO Share Incentive Scheme” in Appendix V to the Prospectus of the Company dated 17 September 2020
“Post-IPO Share Incentive Scheme”	the share option scheme of the Company as approved by the Board on 11 September 2020 and detailed in “Statutory and general information — Share Incentive Schemes — Post-IPO Share Incentive Scheme” in Appendix V to the Prospectus of the Company dated 17 September 2020
“Prospectus”	the prospectus of the Company dated 17 September 2020
“Reporting Period”	the six months ended 30 June 2022
“RMB” or “Renminbi”	Renminbi, the current lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of HK\$0.0002 each following the share consolidation
“Shareholder(s)”	holders of our Shares or any one or more of the holders
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TOPCARES”	our unique approach that are bestowed with eight types of capabilities/skills, which are technical knowledge and reasoning, open thinking and innovation, personal and professional skills, communication and teamwork, attitude and manner, responsibility, ethical values, social values created by application practice. TOPCARES is an acronym of these eight phrases.
“Two Strategic Businesses”	continuing education services, and education resources and apprenticeship programme, the two strategic businesses of the Group

## **APPRECIATION**

On behalf of the Board, I would like to express my sincere gratitude to the management and staff members of the Group for their dedication and hard work and our Shareholders for their trust and support.

By order of the Board  
**NEUSOFT EDUCATION TECHNOLOGY CO. LIMITED**  
**Dr. LIU Jiren**  
*Chairperson and non-executive Director*

Hong Kong, 30 August 2022

*As at the date of this announcement, the Board comprises Dr. LIU Jiren as Chairperson and non-executive Director; Dr. WEN Tao as executive Director; Mr. RONG Xinjie, Dr. ZHANG Xia, Dr. ZHANG Yinghui and Mr. SUN Yinhuan as non-executive Directors (aside from our Chairperson); and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.*